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FIFTH COMMITTEE
Agenda item 107

PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

United Nations telecommunications system

Report of the Secretary-General

I. INTRODUCTION

A. Satellite telecommunications network

1. The proposal of the Secretary-General to upgrade the United Nations satellite telecommunications network, contained in documents A/C.5/48/11/Rev.1 and Corr.1 entitled "United Nations telecommunications system", was presented to the General Assembly at its forty-eighth session.

2. The objective of the satellite network proposal is to provide reliable, economic and secure international telecommunications services, capable of supporting global operations 24 hours a day, seven days a week. The network will provide a common coordinated communications infrastructure for the United Nations (including peace-keeping and other field operations) and the specialized agencies. The backbone satellite network would be the foundation for the development of a United Nations global telecommunications network.

3. A feasibility study by the United Nations, in close consultation with the International Telecommunication Union (ITU), advocated the implementation of a backbone satellite network. Subsequently, the engineering design of the network was completed; this forms the basis of the international bidding process for the supply of the proposed satellite backbone network and associated control equipment.

4. The proposed backbone satellite network project would initially consist of eight fixed satellite Earth stations. One Earth station would be located at the following regional commissions: the Economic Commission for Africa (ECA), the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic

and Social Commission for Asia and the Pacific (ESCAP) and the Economic and Social Commission for Western Asia (ESCWA). An Earth station would also be installed at the United Nations Office at Nairobi. The existing New York Earth station would be upgraded to serve as the primary hub and house the network control centre. Two co-located Earth stations, comprising the second hub, would be installed in Europe, one operating on an Atlantic Ocean region satellite of the International Telecommunications Satellite Organization (INTELSAT) and the other operating on an Indian Ocean region satellite. The European hub would also serve as a collection centre for all United Nations European traffic. The network would have the capabilities of supporting very small aperture stations (VSAT) as and where required.

5. When fully operational, this integrated infrastructure would achieve projected biennial cost savings of over $7,750,000 over the current system.

B. General Assembly resolution 48/262

6. By its resolution 48/262 of 14 July 1994, the General Assembly approved the proposal to establish a European hub station, to be situated at the most cost-effective location, and the proposal to upgrade the New York Earth station with only essential associated works within existing resources. The Assembly requested the Secretary-General to submit a report, inter alia, setting out alternative ways of implementing the proposals contained in documents A/C.5/48/11/Rev.1 and Corr.1, and considering all aspects, including legal considerations, related to the establishment, operation and maintenance of a global telecommunications system.

7. The present report presents the status of the competitive bidding process for the procurement of the proposed satellite backbone network and associated control equipment. It also sets out the progress made on action requested in General Assembly resolution 48/262, particularly related to the quantitative evaluation of alternative ways of establishing and operating the network.

8. With regard to the remaining issues contained in the resolution, work has begun in the context of several inter-agency groups. It is expected that information on these issues will be included in the report of the Secretary-General to the General Assembly at its fiftieth session on the United Nations telecommunications network. An analysis is also under way of the requirements of the United Nations specialized agencies and proposals for the equitable funding of agency use of the United Nations global network. Recognizing that the establishment of a United Nations global network is developmental and dynamic in nature, and that the proposed backbone satellite network is the foundation, certain aspects, such as the extension of the backbone network facilities and utilization by other agencies, will be ongoing.

II. PROGRESS TO DATE ON THE REQUIREMENTS OF GENERAL ASSEMBLY RESOLUTION 48/262

A. Status of procurement

9. Pursuant to paragraphs 3 and 4 of General Assembly resolution 48/262, an evaluation was made of proposals obtained through international competitive bidding procedures in accordance with the Financial Regulations and Rules of the United Nations and a short list of vendors was selected for the proposed satellite backbone network and associated control equipment. However, the implementation plan at this stage includes the approved European hub Earth stations facilities and the upgrade of the New York Earth station. The Secretary-General also proposes to proceed with the installation of Earth stations at Bangkok and Addis Ababa, for which financial provision has already been approved. Final selection will be completed by the end of 1994.

10. Considering the geographic concentration of the organizations and agencies of the United Nations system, the existing telecommunications infrastructure and operational requirements, Switzerland and Austria have been identified as the two most appropriate and cost-effective sites for the European hub.

11. A formal request for proposal for the accommodation and operation of the European hub Earth stations has been submitted to the Governments of Switzerland and Austria. A final decision will be made by the end of 1994, based on the most economical means of satisfying United Nations operational requirements.

B. Ownership of the United Nations telecommunications network by an outside, private commercial entity

12. The question of private ownership of the United Nations network, as formulated by the General Assembly, involves a number of aspects.

13. One possible option for the United Nations would be to use a telecommunications network owned and operated by an outside, private commercial entity. In this case, the Organization would have to conclude a contract with the private operator, outlining all specific terms and conditions of United Nations use of the network.

14. Under this scenario, the entity itself would have primary responsibility for discharging all relevant obligations under international telecommunications law (registration of radio frequencies, etc.) in accordance with the procedures established in the national legislation of a State on which territory the entity operated.

15. It should also be borne in mind in this connection that telecommunications facilities to be used by the United Nations under this scenario would no longer enjoy the status of "United Nations" facilities. For example, the entity operating those facilities would not be immune from legal process; its property, including facilities used by the Organization under the above contract, would not be inviolable, etc. This change of status might adversely affect such

valuable features of the current United Nations-owned network as its confidentiality.

16. At its Plenipotentiary Conference, held at Nice, France, in 1989, ITU adopted resolution number 50 on the use of the United Nations telecommunications network for the telecommunications traffic of the specialized agencies; the resolution was reaffirmed in resolution COM4/25 (provisional), by ITU at its 1994 Plenipotentiary Conference, held at Kyoto, Japan. The resolution is based on the assumption that the telecommunications network in question would belong to the United Nations. Thus, if ownership of the existing United Nations telecommunications network were to be transferred to an outside entity, the question as to whether and under which terms and conditions the network might carry traffic of the specialized agencies would have to be re-examined by all parties concerned: ITU, the United Nations, the specialized agencies and the new owner of the network.

C. Operation of a United Nations-owned network by an outside, private commercial entity

17. If the United Nations telecommunications network were owned by the Organization, the designation of the operation and/or maintenance of the network would remain an internal affair of the United Nations. In other words, if the Organization believed that, while maintaining ownership of the network, it would be in its best interest to have the network operated and/or maintained by an outside, private commercial entity, the United Nations might enter into a contract with such entity setting out specific terms and conditions under which the system might be operated.

18. Naturally, specific provisions of such a contract would have to be in full accord with all relevant international obligations of the United Nations under applicable agreements in order to ensure that actual operation and/or maintenance of the network would not be in violation of those obligations.

19. Based on the above considerations, private commercial ownership of the network should no longer be considered a viable option, and the following discussion, therefore, addresses only the option of contracting out operation and maintenance of the network under overall United Nations control.

D. Alternative means of operating the United Nations telecommunications network

20. A preliminary study is in progress of the feasibility of contracting out the operation of the United Nations telecommunications network, both in operational and financial terms. To this end, three representative international entities have been surveyed: a telecommunications carrier and operator with a global presence; a commercial consulting and facilities management organization with a strong North American and European presence; and, a not-for-profit international communications service provider. Initial indications are that while contracting out operations may be a feasible option, the number of companies qualified to provide such service is limited.

21. Owing to the complex technical and commercial issues involved in the questions raised in resolution 48/262, analysing the costs and benefits of the various options will involve extensive research. The preliminary results of this exercise will be available by the first quarter of 1995.

22. In addition to analysing the costs and benefits of contracting out the operations at specific duty stations, the alternatives, costs and benefits for the operation of the entire United Nations telecommunications network, including the main network control centres in New York and Europe, will be evaluated. The options to be considered are:

(a) Establishment of comprehensive in-house United Nations staff capabilities;

(b) Augmenting United Nations management and staff by the use of contract staff;

(c) Full contracting out of the responsibility for the operation of the network against defined performance standards.

23. Detailed information in response to these questions will be included in the report of the Secretary-General to the General Assembly at its fiftieth session.

III. CONCLUSION

24. As referred to in paragraph 6 above, in its resolution 48/262, the General Assembly approved the proposal to establish the European hub station and the proposal to upgrade the New York Earth station within existing resources in both the regular budget and the peace-keeping special accounts on a fifty-fifty basis, without creating a precedent for the future financing of the project. In addition, the resources are available under the construction budget to do major upgrading of the telecommunications facilities at ECA in Addis Ababa and at ESCAP in Bangkok. The approved upgrade includes the installation of two Earth stations and related equipment at these duty stations, and the Secretary-General intends to proceed with these installations.

25. Pending a final decision on the most cost-effective means of operating the United Nations telecommunications network, the management and operation of the network will continue to be carried out by existing United Nations staff, augmented as necessary by individual service contracts and general temporary assistance from existing resources. Therefore, no additional resources are requested under the programme budget for the biennium 1994-1995. Approval of additional resource requirements to complete the remaining satellite backbone network will be requested in the context of the proposed programme budget for the biennium 1996-1997, and reflected in the next report of the Secretary-General on this subject.

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Agenda item 108

PROGRAMME PLANNING

Revisions to the medium-term plan for the period 1992-1997

Note by the Chairman

1. At its 3rd plenary meeting, on 23 September 1994, the General Assembly decided to allocate agenda item 108 (Programme planning) to the Fifth Committee, on the understanding that the proposed revisions to each programme of the medium-term plan for the period 1992-1997 would be submitted to the Assembly in plenary meeting or to the appropriate Main Committee for review.

2. To date, the General Assembly and three Committees, the Second, Fourth and Sixth Committees, have submitted to the Chairman of the Fifth Committee the results of actions taken by those bodies. The substantive portions of their letters are reproduced below in annexes I to IV to the present document, along with the relevant attachments. Communications from the other Committees, once received, will be issued as addenda to the present document.

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Annex I

LETTER DATED 27 OCTOBER 1994 FROM THE CHAIRMAN OF THE FOURTH COMMITTEE ADDRESSED TO THE CHAIRMAN OF THE FIFTH COMMITTEE

At the 2nd and 10th meetings, on 5 and 26 October 1994, respectively, I drew attention of the members of the Special Political and Decolonization Committee (Fourth Committee) to the proposed revisions to the medium-term plan 1992-1997 in relation to programmes 8 (Peaceful uses of outer space) and 39 (Public information) and requested them to submit, in writing, their views on some of the issues contained in the report of the Secretary-General on the programmes concerned.

In that connection, I wish to inform you that I have not received any views from the members.

(Signed) Borys M. HUDYMA

Annex II

LETTER DATED 27 OCTOBER 1994 FROM THE CHAIRMAN OF THE SIXTH COMMITTEE ADDRESSED TO THE CHAIRMAN OF THE FIFTH COMMITTEE

I wish to acknowledge receipt of your letter of 26 September 1994 seeking the views of the Sixth Committee on the proposed revisions to the relevant programmes of the medium-term plan for the period 1992-1997.

Having examined the report of the Committee for Programme and Coordination on the second part of its thirty-fourth session, 1/ the Committee has noted that no revisions have been proposed to the programmes of the medium-term plan that may be relevant to the Sixth Committee.

Consequently, the Committee has no views to forward to the Fifth Committee on this matter.

(Signed) George O. LAMPTEY

Notes

1/ Official Records of the General Assembly, Forty-ninth Session, Supplement No. 16 (A/49/16).

Annex III

LETTER DATED 27 OCTOBER 1994 FROM THE PRESIDENT OF THE GENERAL ASSEMBLY ADDRESSED TO THE CHAIRMAN OF THE FIFTH COMMITTEE

With regard to your letter dated 28 September 1994, concerning the proposed revisions to the medium-term plan for the period 1992-1997, I have the honour to inform you that I have received the attached comments from the Permanent Representative of South Africa to the United Nations on programme 6 (Elimination of apartheid).

(Signed) Amara ESSY

Appendix

LETTER DATED 25 OCTOBER 1994 FROM THE PERMANENT REPRESENTATIVE OF SOUTH AFRICA ADDRESSED TO THE PRESIDENT OF THE GENERAL ASSEMBLY

South Africa lauds the achievement by the international community, in cooperation with the people of South Africa, of the objectives of programme 6 of major programme 1 of the medium-term plan, entitled "Elimination of apartheid".

With the achievement of the objectives of this programme, the item entitled "Elimination of apartheid and establishment of a united, democratic and non-racial South Africa" has finally been removed from the agenda of this august body. South Africa fully supports the termination of this programme and the redeployment of resources previously allocated to the programme within the Africa Division of the Department of Political Affairs of the Secretariat.

The people of South Africa are confident that the international community will not now abandon them in their struggle against the legacy of disadvantage and underdevelopment that apartheid has inflicted on their young democracy.

The people of South Africa express their gratitude to the international community for its continued attention to the elimination of that legacy.

Annex IV

LETTER DATED 31 OCTOBER 1994 FROM THE CHAIRMAN OF THE SECOND COMMITTEE TO THE PRESIDENT OF THE GENERAL ASSEMBLY

I have the honour to enclose, for your appropriate action, a letter dated 28 October 1994, addressed to me by H.E. Mr. Ramtane Lamamra, Permanent Representative of Algeria to the United Nations, on behalf of the Group of 77 and China, regarding agenda item 108 entitled "Programme planning". This is in reply to your letter dated 27 September 1994, addressed to me transmitting the letter of the Chairman of the Fifth Committee on this subject (A/C.2/49/2).

(Signed) Sher Afgan KHAN

Appendix

LETTER DATED 28 OCTOBER 1994 FROM THE PERMANENT REPRESENTATIVE OF ALGERIA ADDRESSED TO THE CHAIRMAN OF THE SECOND COMMITTEE

I have the honour to refer to document A/C.2/49/2, containing the letter dated 26 September 1994 from the Chairman of the Fifth Committee to the Chairman of the Second Committee regarding agenda item 108 (Programme planning). The Chairman of the Second Committee has requested members of the Committee to convey their views in writing regarding the letter of the Chairman of the Fifth Committee. In this connection, the Group of 77 and China would like to stress the following.

In general terms, the Group of 77 and China wish to call attention to the fact that the process of revising the medium-term plan, which has been started by the Secretariat in accordance with the mandates emanating from intergovernmental bodies, should be the object of a consultative process within the pertinent Main Committees before the proposals are submitted for the consideration of the coordinating and budgetary bodies as well as the Fifth Committee. This would facilitate the decision-making process of these bodies since the new proposals would already have the approval of the Main Committees.

Furthermore, the above procedure would preclude any unilateral modification by the Secretariat of the guidelines emanating from intergovernmental decisions in the biennial revision of the medium-term plan.

One procedure that would facilitate knowledge of the origins and bases of the proposed revisions would be for the Secretariat to indicate, in each specific case, the legislative mandates supporting each proposal for deletion or addition. This is all the more important in cases in which the proposed revisions stem from mandates of bodies of restricted membership such as working groups. In such cases it would suffice to indicate the General Assembly resolution or resolutions that support it, or alternatively, the decisions of the relevant bodies.

The comments made by the Group of 77 and China centre around the revisions to programme 11, Overall issues and policies including coordination, programme 12, Global development issues and policies, and programme 21, Public administration and finance, which fall under major programme IV, International economic cooperation for development.

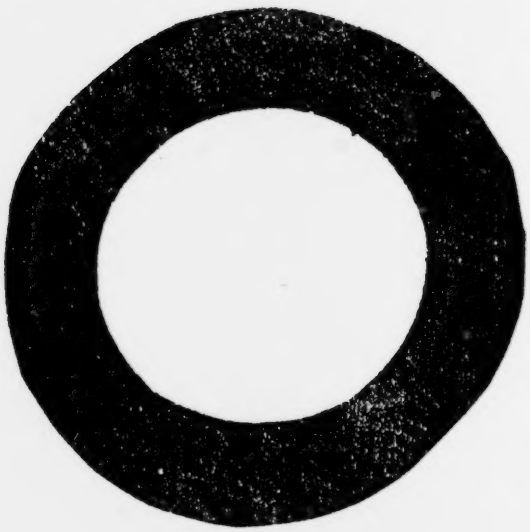
The Group of 77 and China stress that the mandates derived from General Assembly resolutions 44/215, 46/210 and 48/168, regarding the use of economic measures as a means of exerting political and economic pressure against developing countries, should be incorporated in subprogramme 1 of programme 11 and, in this regard, would also make reference to the note of the Secretary-General regarding the implementation of resolution 46/210.

With respect to programme 12, the Group endorsed the recommendations contained in the report of the Committee for Programme and Coordination on the second part of its thirty-fourth session on programme and coordination and hopes

that they will be taken into account in the report to be submitted to the General Assembly on this subject.

The Group of 77 and China are of the view that the proposals for a new programme (programme 21, Public administration and finance) presented by the Secretariat could lead to a reorientation not approved by the General Assembly and therefore has no legislative basis.

Bearing in mind the importance of the process of drawing up a medium-term plan, the Organization's main policy paper, the rules and procedures that govern its preparation by the Secretariat should be respected.



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Agenda item 105

REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

Restructuring of the United Nations Secretariat

Note by the Chairman

1. At its 3rd meeting, on 6 October 1994, the Fifth Committee decided to invite the Second, Third and Fourth Committees to review the report of the Secretary-General on the restructuring of the Secretariat (A/49/336), which had been submitted under agenda item 105 entitled "Review of the efficiency of the administrative and financial functioning of the United Nations".

2. To date, two Committees, the Second and Fourth Committees, have submitted to the Chairman of the Fifth Committee the results of action taken by those Committees. The substantive portions of their letters, along with the relevant attachments, are reproduced below in annexes I and II respectively to the present document. Communication from the other Committee, once received, will be transmitted as an addenda to the present document.

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ANNEX I

Letter dated 27 October 1994 from the Chairman of the Fourth Committee to the Chairman of the Fifth Committee

At the 7th and 10th meetings, of the Special Political and Decolonization Committee (Fourth Committee), on 18 and 26 October 1994 respectively, I drew the attention of the members of the Committee to agenda item 105 entitled "Review of the efficiency of the administrative and financial functioning of the United Nations" and requested them to submit, in writing, their views on some of the issues contained in the report of the Secretary-General on the restructuring of the United Nations Secretariat.

In that connection, I wish to inform you that I have not received any views from the members.

(Signed) Borys M. HUDYMA

ANNEX II

Letter dated 31 October 1994 from the Chairman of the Second Committee to the Chairman of the Fifth Committee

In response to your letter dated 10 October 1994 (A/C.2/49/5) addressed to me, I have the honour to enclose, for your appropriate action, the following two letters:

(a) A letter dated 20 October 1994 addressed to me, on behalf of the European Union, by Mr. W. Runge, Minister Plenipotentiary, Permanent Mission of Germany to the United Nations;

(b) A letter dated 27 October 1994 from Mr. Ramtane Lamamra, Permanent Representative of Algeria to the United Nations, on behalf of the Group of 77 and China, regarding agenda item 105 entitled "Review of the efficiency of the administrative and financial functioning of the United Nations".

(Signed) Sher Afgan KHAN

APPENDIX I

Letter dated 20 October 1994 from the Representative of Germany to the Chairman of the Second Committee

I refer to the letter dated 10 October 1994 from the Chairman of the Fifth Committee to you (A/C.2/49/5).

On behalf of the European Union, I would like to comment on what has been mentioned by some delegations concerning the request of the Secretary-General to the Administrator of the United Nations Development Programme (UNDP) to assist him in enhancing policy coherence within the United Nations and overall coordination of operational activities for development.

First of all, we would like to stress that it is within the prerogative of the Secretary-General to appoint the Administrator of UNDP as his assistant on economic and social matters, especially in developmental affairs and coordination. As Chief Administrative Officer of the Organization, the Secretary-General has the right to appoint an adviser to assist him in his task.

We are hopeful that the Secretary-General, in devising such a role, will be successful in improving further a coordinated and unified approach of the United Nations, as he has been requested to do by the Member States, especially in General Assembly resolution 47/199, in the policy review of operational activities.

APPENDIX II

Letter dated 27 October 1994 from the Permanent Representative of Algeria to the Chairman of the Second Committee

I have the honour to refer to document A/C.2/49/5 dated 11 October 1994 containing the letter dated 10 October 1994 from the President of the General Assembly to the Chairman of the Second Committee enclosing, in turn, a letter from the Chairman of the Fifth Committee regarding agenda item 105 entitled "Review of the efficiency of the administrative and financial functioning of the United Nations". You had requested members of the Committee to convey their views in writing regarding the decision of the Secretary-General to request the Administrator of the United Nations Development Programme to assist him in enhancing policy coherence within the United Nations and overall coordination of operational activities for development.

In this connection, I would like to draw your attention to the Ministerial Declaration of the Group of 77 adopted on the occasion of the Eighteenth Annual Ministerial Meeting of the Group of 77, held at United Nations Headquarters in New York on 30 September 1994. In paragraph 19 of that Declaration (A/49/462, annex), the Ministers "stressed the need for institutions that were involved in implementation of financial and technical cooperation programmes to be distinct from those involved in overall policy-making and coordination".

The Group of 77 stresses also that the reform of the United Nations Secretariat should be carried out without affecting the activities mandated by Member States through General Assembly resolutions.

I would be grateful if the views of the Group of 77 and China could be conveyed appropriately to the Chairman of the Fifth Committee.